

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2482

January 19, 2010

SUMMARY OF BILL: Authorizes the Department of Safety to issue a driver license or identification card with the word "Veteran" printed on the card to an honorably discharged veteran with official documentation of military service only if the cost of issuing such licenses is paid to the Department of Safety from non-state funds no later than June 30, 2010. Requires the department to return any unused portion of the estimated costs to the person paying such funds within 30 days of the completion of the department's costs. If the actual cost exceeds the estimated cost, the difference shall be paid to the department within 30 days of the sponsoring person or entity receiving an itemized invoice from the department.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – This bill will not take effect unless the Department of Safety has received sufficient funds from non-state sources to implement it and the Commissioner of the Department has certified to the Secretary of State, the Executive Director of the Fiscal Review Committee, and the Executive Secretary of the Code Commission that the Department has received the funds. There would be a one-time increase in state expenditures of \$198,700 in FY10-11 paid from non-state funds. If the bill becomes effective, there will be a one-time increase in state revenue of approximately \$2,000,000 in FY10-11.

Assumptions:

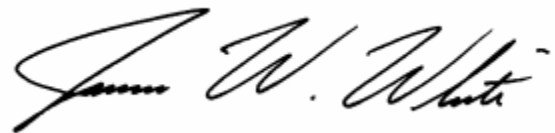
- Non-state funds will be used to pay for the licenses or identification cards.
- The Department of Safety's card vendor will be required to redesign the current license and its various formats. The estimated redesign and programming cost to change formats is \$50,000.
- Changes will also be required in the programming code of the driver license issuance system. These changes are estimated to take a total of 400 programming hours. The current cost for an OIR Mainframe Programmer IV is \$78 per hour, resulting in a total programming cost of \$31,200 (400 hours x \$78 per hour = \$31,200).
- According to the Department of Safety, there were 507,000 veterans residing in Tennessee in 2008.
- The Department of Safety estimates that there will be an influx of an additional 250,000 applicants at driver license stations within six months of implementation. Current and retired military personnel receive various discounts at many stores, restaurants, hotels, and other places. This bill will act as an incentive for veterans to obtain a license with

the word “veteran” printed on it, which can be used as proof of military service in lieu of other forms of proof currently needed to obtain military discounts.

- The Department of Safety estimates that an additional 7.5 temporary employees will be needed for six months. The cost of these employees is \$11,250 per month. The total cost of additional employees will be \$67,500 (6 months x \$11,250 cost of additional employees = \$67,500).
- The driver license application will need to be modified and re-printed at a cost of \$0.10 per application for 500,000 applications for a total cost of \$50,000 (\$0.10 cost x 500,000 applications = \$50,000).
- The total increase in state expenditures is estimated to be \$198,700 (\$50,000 + \$31,200 + \$67,500 + \$50,000 = \$198,700).
- Payments of \$198,700 must be made from the non-state sources prior to any expenditure by the state to cover the state expenditures associated with this bill.
- A \$2,000,000 increase in state revenue will result from an influx of 250,000 applications at a rate of \$8.00 per duplicate license (\$8.00 fee x 250,000 applications = \$2,000,000).
- According to the Department of Safety, an additional 120 to 180 days after the effective date will be needed to implement the provisions of this bill, so any fiscal impact will be in FY10-11.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/jaw